



**Request for City Council Committee Action  
From the Department of Public Works**

**Date:** November 8, 2012

**To:** Honorable Sandra Colvin Roy, Chair Transportation & Public Works Committee

**Subject:** **Nongovernmental Tax Exempt Parcel Street Light Operations Fee Assessment – Public Hearing**

**Recommendation:**

Passage and summary publication of a Resolution adopting the special assessments for 2013, levying the assessment, adopting the assessment roll, and directing the City Clerk to transmit a certified copy of the assessment roll to the Hennepin County Auditor.

**Previous Directives:**

September 25, 2012 – Set public hearing for November 8, 2012.  
November 13, 2009 – Updated street light operations and street maintenance assessments on nongovernmental tax exempt parcels approved.

**Prepared by:** Suzette R. Hjermsstad, Public Works Special Assessment Office x2401  
Don Elwood, P.E., Director, Transportation Planning & Engineering

**Approved by:**

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Steven A. Kotke, P.E., City Engineer, Director of Public Works

**Presenters:** Brette Hjelle, Director of Administration

**Financial Impact**

Special Assessments against benefited properties

**Background/Supporting Information**

Minneapolis has been assessing nongovernmental tax exempt parcels for street light operations and street maintenance services since 1974. In 2009, the City Council approved updates to these assessments. The update included the following changes:

1. Changing from front footage to the influence area method to determine assessable area.
2. Updating assessment rates to reflect current costs of street maintenance and street lighting services.
3. Updating list of eligible properties.

**Methodology**

The assessment is applied to properties via a uniform assessment rate using the influence area method. The influence area method calculates the assessable area and is expressed in terms of square footage. This is the method currently used for street and street light capital construction projects.

The assessment rate is determined by dividing the street lighting operations budget by the citywide assessable square footage.

$$\$3,000,000 / 764,437,240/\text{sq. ft.} = \$0.00392/\text{sq. ft.}$$

The assessment for a single parcel is calculated by multiplying the parcel's assessable area, rounded to the nearest square foot, by the assessment rate, and rounding the result to the nearest whole dollar amount. The minimum assessment amount is \$1.00/year.

### **Assessment Results**

There are 1,265 eligible parcels on the payable 2013 assessment roll. For street light operations assessments, the median (middle value) assessment for these properties is \$41/year and the mean (average) assessment is \$84/year.

### **Public Hearing**

The street light operations assessment rate did not change from last year. Therefore, public hearing notices were only sent to properties that are either eligible for the assessment for the first time (i.e. the parcel was taxable last year and is tax exempt this year) or the parcel had property line changes in the past year that increased the assessable area and therefore increased the assessment.

56 nongovernmental tax exempt parcels received a public hearing notice for the street light operations assessment public hearing.